

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Consider a contract with ESPY Services to conduct telecommunications audit

ORIGINATING DEPARTMENT

Information Technology Services Department

BACKGROUND INFORMATION

The City of Killeen has several vendors that we use for telecommunications support. This support is in the form of internet service, cable television and mobile device services. Our records indicate that there has not been an external audit of the accounts in quite some time. The City of Killeen uses Time Warner Cable for internet and cable TV services, Century Link for internet and phone services, Sprint for long distance and Sprint, Verizon and T-Mobile for mobile device services. The Information Technology Services Department has researched several firms which provide this auditing service.

DISCUSSION/CONCLUSION

The Internal Services staff has interviewed three firms who do this type of auditing. We evaluated these firms based on requirements, fee structure and customer satisfaction. The fee structure from all firms followed a basic structure; the firm would review our bills from our current bill cycle (at time of contract start) to a set number of years prior. Any errors and overcharges from previous bills will be tabulated and the firm will charge the City of Killeen 50% of the credits and overcharges obtained. Additionally, the City of Killeen will pay the firm 50% of any savings on future bills for a 12 month period. In the event that a firm were to find a savings that would cause the City of Killeen to pay over \$50,000.00 in one payment, the staff felt that it would be prudent to bring this contract for prior approval from the City Council. In the staff's analysis we found one company that offered the best value for the City of Killeen. The staff chose ESPY Services, headquartered in Bedford, Indiana. ESPY services has worked with other Texas municipalities and state agencies and they were found to have the best customer satisfaction.

FISCAL IMPACT

There is no cost to the City of Killeen if ESPY Services finds no errors or overcharges. In the event they do, the City of Killeen is obligated to pay based on the contracted schedule outlined above. This funding would come from the funds that the city would receive in the form of the credits and overcharges. As this time staff cannot estimate the cost of the contract.

RECOMMENDATION

The staff requests the council authorize the City Manager to execute a contract with ESPY Services and pay any amounts that are found with their audits, and to execute any charge orders within the amounts set by law.